



House of Representatives

General Assembly

File No. 58

February Session, 2006

Substitute House Bill No. 5182

House of Representatives, March 21, 2006

The Committee on General Law reported through REP. STONE, C. of the 9th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING FAKE AIR BAGS FOR MOTOR VEHICLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2006*) (a) No person shall sell or
2 offer for sale any device with the intent that such device replace an air
3 bag in any motor vehicle if such person knows or reasonably should
4 know that such device does not meet federal safety requirements as
5 provided in 49 CFR 571.208.
- 6 (b) A violation of subsection (a) of this section shall be deemed an
7 unfair or deceptive trade practice under subsection (a) of section 42-
8 110b of the general statutes. Each sale or offer for sale shall constitute a
9 separate and distinct violation.
- 10 (c) Any person who violates subsection (a) of this section shall be
11 guilty of a class A misdemeanor.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	New section
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GL *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Consumer Protection, Dept.; Attorney General; Judicial Dept.	GF - Revenue Gain	Potential Minimal	Potential Minimal
Judicial Dept. (Probation); Correction, Dept.	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes it an unfair trade practice to sell or offer to sell any device intended to replace a motor vehicle air bag if the seller knows or reasonably should know that it does not meet certain federal safety standards. Under the Connecticut Unfair Trade Practices Act (CUTPA), the Department of Consumer Protection (DCP) and the Attorney General can impose CUTPA fines.

In the case of settlements, depending on the negotiation terms, funds are either deposited into the DCP's Consumer Protection Settlement Account or the unrestricted resources of the General Fund. Funds deposited into the Consumer Protection Settlement Account are used only to enhance activities that further consumer protection. In FY 05, \$92,298 in CUTPA fines were deposited into the DCP Consumer Protection Settlement Account. Additionally, in FY 05, \$356,751 in CUTPA fines were deposited into the General Fund as a result of settlements negotiated by the Office of the Attorney General (OAG). The state agencies could accommodate the workload associated with enforcement of the bill without requiring additional resources. To the extent that the bill increases the potential for future violations, the bill could result in a minimal revenue gain to the state.

The bill also makes it a crime, punishable by a fine of up to \$2,000 and/or imprisonment for up to one year, to engage in the activities described above. It is anticipated that few offenses would be prosecuted each year and, consequently, any revenue gain from criminal fines under the bill would be minimal. To the extent that offenders are prosecuted criminally and subsequently convicted or plead guilty, the state could incur a cost associated with incarceration and/or probation supervision in the community.

On average, it costs the state roughly \$2,150 to supervise an offender on probation in the community as compared to \$35,040 to incarcerate the offender (note that both figures include fringe benefits).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis
sHB 5182***AN ACT CONCERNING FAKE AIR BAGS FOR MOTOR VEHICLES.*****SUMMARY:**

This bill prohibits selling or offering to sell any device intended to replace a motor vehicle air bag if the seller knows or reasonably should know that it does not meet federal safety standards. A violator commits an unfair trade practice. Each sale or offer for sale constitutes a separate violation. A violator is also guilty of a class A misdemeanor, punishable up to one year in prison, a fine of up to \$2,000, or both.

EFFECTIVE DATE: July 1, 2006

BACKGROUND***Federal Safety Standards***

Federal regulations set performance standards to protect occupants in motor vehicle crashes. Among the standards, they require certain motor vehicles to have air bags (49 CFR § 571.208). Federal law also prohibits a motor vehicle manufacturer, distributor, dealer, or repairer from making inoperative any device required by a federal motor vehicle safety standard (49 USC § 30122).

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. The act also allows

individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/07/2006)